

# WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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(931) 388-6031

D. Billye Sanders  
(615) 850-8951  
bsanders@wallerlaw.com

November 3, 2003

## VIA HAND DELIVERY

Deborah Tate, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37219

03-00581

Re: Application of Tennessee Independent Telecommunications Groups LLC d/b/a Iris Networks for a Certificate of Public Convenience and Necessity to Provide Certain Telecommunications Services within the State of Tennessee and Approval of Franchise with the City of Knoxville

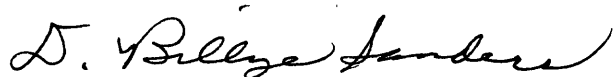
Dear Chairman Tate:

Enclosed you will find the original and thirteen (13) copies of the above referenced Application of Tennessee Independent Telecommunications Group d/b/a Iris Networks and a check for \$25.00 for the application fee. The company's confidential financial statements have been filed under seal. We respectfully request that the confidential information not be disclosed to the public.

The Company also respectfully requests expedited processing of its Application.

Please contact me if you need additional information.

Sincerely,



D. Billye Sanders  
Attorney for Iris Networks

DBS/hmd  
Enclosures

WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Deborah Tate, Chairman

November 3, 2003

Page 2

cc: Ellen Bryson

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

<b>IN RE: APPLICATION OF TENNESSEE</b>	)	
<b>INDEPENDENT TELECOMMUNICATIONS</b>	)	
<b>GROUP, LLC D/B/A IRIS NETWORKS FOR A</b>	)	
<b>CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	
<b>AND NECESSITY TO PROVIDE CERTAIN</b>	)	<b>DOCKET NO. _____</b>
<b>TELECOMMUNICATIONS SERVICES</b>	)	
<b>WITHIN THE STATE OF TENNESSEE</b>	)	
<b>AND APPROVAL OF FRANCHISE</b>	)	
<b>WITH THE CITY OF KNOXVILLE</b>	)	
	)	

---

**APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE  
AND NECESSITY AND APPROVAL OF FRANCHISE**

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Pursuant to T.C.A. §65-4-201 and Section 253 of the Federal Telecommunications Act of 1996, Tennessee Independent Telecommunications Group, LLC d/b/a Iris Networks (“Iris” or “Applicant”) respectfully requests that the Tennessee Regulatory Authority (“TRA”) grant to Iris authority to provide competitive access services and transport within the State of Tennessee, to the extent such authority from the TRA is required. If Iris is deemed a “public utility” pursuant to T.C.A §65-4-101, Iris also seeks approval of its franchise with the city of Knoxville pursuant to T.C.A. §65-4-107. Iris does not intend to provide local exchange services and does not intend to provide service to end-users. Iris is a carriers’ carrier that provides long haul transport to other carriers and also provides competitive access to carriers on behalf of incumbent local exchange carriers (“ILECs”) through a tandem switch. Thus, Iris is not seeking authority as a competitive local exchange carrier (“CLEC”). Iris, out of an

abundance of caution, is applying for a certificate of public convenience and necessity as a carriers' carrier/competitive access provider ("CAP") to the extent such authority is required under Tennessee law.

In support of its Application, Iris submits the following:

**1. Contact Information**

For purposes of this Application, contacts for the Applicant are as follows:

Counsel for the Applicant:

D. Billye Sanders, Esq.  
Waller Lansden Dortch & Davis  
*A Professional Limited Liability Company*  
511 Union Street, Suite 2100  
Nashville, TN 37219  
Telephone: (615) 244-6380  
Facsimile: (615) 244-6804  
E-mail: bsanders@wallerlaw.com

Ellen Bryson  
Chief Manager  
Iris Networks, LLC  
211 Commerce Street  
Suite 610  
Nashville, Tennessee 37201  
Telephone: (615)986-1623 (direct); (615)425-2300 (main)  
Facsimile: (615) 986-2092

After the authority is granted, for purposes of other TRA inquiries, complaints and correspondence, the contact at Iris will be as follows:

Ellen Bryson  
Chief Manager  
Iris Networks, LLC  
211 Commerce Street  
Suite 610  
Nashville, Tennessee 37201  
Telephone: (615) 986-1623 (direct); (615) 425-2300 (main)  
Facsimile: (615) 986-2092

For purposes of customer inquiries, the contact information is as follows:

Tim Adkins, Director of Operations  
(615) 425-2315 (to establish service and for implementation issues)

Network Operations Center  
1-866-479-4747 (toll free for maintenance)

## **2. Applicant Information**

Iris is a Tennessee limited liability company ("LLC") with its principal office located at 211 Commerce Street, Suite 610, Nashville, Tennessee 37201. A copy of Iris' Articles of Organization is provided in Exhibit A. The members (owners) of Iris are: Ardmore Telephone Company, Ben Lomand Rural Telephone Cooperative, Inc., Bledsoe Telephone Cooperative, DTC Communications, Highland Telephone Cooperative, Loretto Communications Services, Inc., North Central Communications, Inc., Scott County Telephone Cooperative, Twin Lakes Telephone Cooperative, United Telephone Company, and West Kentucky Rural Telephone Cooperative.

The names and addresses of the governors of Iris are listed in Exhibit B. The résumés of the principal managers and the key technical staff are set forth in Exhibit C. An organizational chart of the ownership structure is provided in Exhibit D.

Iris provides transport services and competitive access services in the state of Tennessee, and through contractual relationships with others it provides transport services in North Carolina, Kentucky, West Virginia, Virginia, Maryland, Pennsylvania, Ohio, Indiana, Alabama, Georgia, South Carolina and Florida.

### **3. Financial Managerial and Technical Qualifications**

Iris possesses the financial, managerial and technical ability to provide transport and competitive access services in the State of Tennessee as demonstrated below.

#### **A. Financial Qualifications**

Iris is financially qualified to provide telecommunications services in Tennessee. Confidential Exhibit E contains the financial statements of Iris as of September 30, 2003. In addition, a three (3) year pro-forma financial statement is included which contains projected income statements, balance sheets, statements of cash flow and a capital expenditures budget for the Applicant. Iris will be funded by its members via equity investments as well as loans from financial institutions until internally generated cash flow is sufficient to execute its business plan independently. Thus, Iris possesses adequate resources and access to capital to construct, maintain and operate the proposed telecommunications system in Tennessee.

#### **B. Managerial and Technical Qualifications**

Iris has the managerial and technical resources to provide telecommunications services in Tennessee. Descriptions of the telecommunications and managerial experience of Iris' managers and key technical personnel are provided in Exhibit C.

### **4. Proposed Service Area**

Iris seeks certification to the extent required to offer competitive access services and transport services throughout the State of Tennessee. Iris currently provides transport services in 34 counties including Tennessee's major metropolitan markets and deep into many rural areas.

**5. Types of Services to be Provided**

Iris is a wholesale carriers' carrier that provides state of the art high-speed transport for voice, video and data within the State of Tennessee, including broadband transport to many under-served rural areas of the state. Iris supplies interexchange carriers, wireless carriers, Internet service providers, and other carriers with cost effective long haul telecommunications transport via leased circuits. Iris also provides tandem switching on behalf of ILECs.

Iris does not believe that the wholesale services that it provides are regulated in Tennessee, however out of an abundance of caution it files this Application at the recommendation of the TRA staff and seeks a certificate to the extent necessary. Iris does not provide competing local exchange services and thus does not seek authorization as a CLEC. Should Iris seek to provide local exchange services in the future, it would obtain an additional certificate from the TRA.

Because Iris does not serve end-users, Iris will not provide services typically provided by CLECs such as support for the Tennessee Relay Center, Access to Lifeline and Linkup, directory listings and emergency services such as 911.

**6. Repair and Maintenance Information**

Iris has a toll-free number for customer inquiries regarding maintenance, which is listed in Section 1 of this Application. Iris provides monitoring of its network 24 hours a day, 7 days a week through its network operations center, which is staffed around the clock and is equipped with audio and video alarm systems. A call to the toll free number listed in Section 1 alerts the engineering staff immediately.

**7. Small and Minority-Owned Telecommunications Business Participation Plan**

In accordance with T. C. A. § 65-5-212, Iris' Small and Minority-Owned Telecommunications Business Participation Plan is provided as Exhibit F.

**8. IntraLATA Toll Dialing Parity Plan, Numbering Issues, Customer Premise Equipment**

Iris does not intend to provide service to end-users, therefore an IntraLATA toll Dialing Parity Plan, Number Issues Statement and Customer Premise Equipment Statement are not applicable.

**9. Statement of Compliance**

Iris intends to abide by all applicable statutes and all applicable orders, rules and regulations adopted by the TRA.

**10. Prefiled Testimony**

Iris has provided pre-filed testimony in support of its Application in Exhibit J.

**11. Notice of Application**

Applicant has served notice of this Application on the eighteen (18) incumbent local exchange telephone companies and on the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General. A copy of the Notice is provided in Exhibit H.



**12. Tariffs**

Iris will file and maintain tariffs for its competitive access services in the manner prescribed by the TRA. Iris' transport services are provided pursuant to contract.

**13. Franchises, etc.**

Iris currently holds a franchise from the city of Knoxville. A copy of the franchise is attached as Exhibit I and Iris seeks approval of same pursuant to T.C.A. § 65-4-107.

**14. Conclusion**

As demonstrated in this Application, Iris is financially, managerially and technically qualified to provide competitive access and transport services in the State of Tennessee.

WHEREFORE, Iris respectfully requests that the TRA grant it a Certificate of Public Convenience and Necessity to the extent necessary to provide competitive access services and transport within the State of Tennessee and to approve its franchise with the City of Knoxville.

Respectfully submitted this \_\_\_\_ day of \_\_\_\_\_, 2003.

Tennessee Independent Telecommunications  
Group, LLC d/b/a Iris Networks

By: \_\_\_\_\_

D. Billye Sanders, Esq.

Waller Lansden Dortch & Davis

*A Professional Limited Liability Company*

511 Union Street, Suite 2100

Nashville, TN 37219

Telephone: (615) 244-6380

Facsimile: (615) 244-6804

Counsel for Tennessee Independent  
Telecommunications Group, LLC d/b/a Iris  
Networks

**VERIFICATION**

STATE OF TENNESSEE

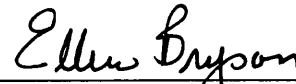
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COUNTY OF DAVIDSON

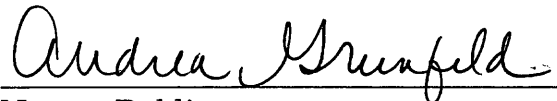
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I, Ellen Bryson, being duly sworn, depose and state that I am the Chief Manager of Tennessee Independent Telecommunications Group, LLC d/b/a Iris Networks ("Iris"), the Applicant in the subject proceeding; that I am authorized to make this Verification on behalf of Iris; that I have read the foregoing Application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information and belief.



Ellen Bryson

Subscribed and sworn to before me this 31st day of October, 2003.

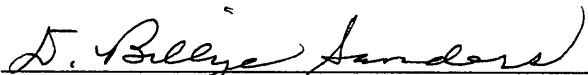


Notary Public

My Commission Expires: 3-9-04

**CERTIFICATE OF SERVICE**

I hereby certify that on this 3<sup>rd</sup> day of November, 2003, that a copy of the Notice of Application for Certificate of Public Convenience and Necessity to Provide Certain Telecommunication Services set forth in Exhibit H was served by first class mail on the entities on the attached service list.

  
D. Billye Sanders, Esq.

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

- 1) **ARDMORE TELEPHONE COMPANY, INC.**  
P.O. Box 549  
517 Ardmore Avenue  
Ardmore, TN 38449  
(205) 423-2131  
(205) 423-2208 (Fax)
- 2) **BELLSOUTH**  
333 Commerce Street  
Nashville, TN 37201-3300  
(615) 214-3800  
(615) 214-8820 (Fax)
- 3) **CENTURY TELEPHONE OF ADAMSVILLE**  
P.O. Box 405  
Adamsville, TN 38310  
(901) 632-3311  
(901) 632-0232 (Fax)
- 4) **CENTURY TELEPHONE OF CLAIBORNE**  
P.O. Box 100  
New Tazewell, TN 37825  
(423) 626-4242  
(423) 626-5224 (Fax)
- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.**  
P.O. Box 782  
Ooltewah, TN 37363  
(423) 238-4102  
(423) 238-5699 (Fax)
- 6) **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701
- 7) **FRONTIER COMMUNICATIONS OF AMERICA**  
250 South Franklin Street  
P.O. Box 689  
Cookeville, Tennessee 38501  
(931) 528-0518  
(931) 528-0604 (Fax)

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

- 8) **LORETTO TELEPHONE COMPANY, INC.**  
P.O. Box 130  
Loretto, TN 38469  
(931) 853-4351  
(931) 853-4329 (Fax)
- 9) **MILLINGTON TELEPHONE COMPANY, INC.**  
4880 Navy Road  
Millington, TN 38053  
(901) 872-3311  
(901) 873-0022 (Fax)
- 10) **SPRINT-UNITED**  
12 Sixth Street  
Bristol, TN 37620  
(423) 968-8161  
(423) 968-3148 (fax)
- 11) **TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**  
701 Concord Road  
Knoxville, TN 37922  
(423) 966-5828  
(423) 966-9000 (Fax)
- 12) **TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**  
P.O. Box 552  
203 Long Street  
New Johnsonville, TN 37134-0552  
(931) 535-2200  
(931) 535-3309 (Fax)
- 13) **TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**  
P.O. Box 9  
102 Spence Street  
Tellico Plains, TN 37385-0009  
(423) 671-4600  
(423) 253-7080 (Fax)
- 14) **TDS TELECOM-TENNESSEE TELEPHONE COMPANY**  
P.O. Box 70387  
Knoxville, TN 37928  
(423) 922-3535  
(423) 922-9515 (Fax)

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

- 15) **TEC-CROCKETT TELEPHONE COMPANY, INC.**  
P.O. Box 7  
Friendship, TN 38034  
(901) 677-8181
- 16) **TEC-PEOPLE'S TELEPHONE COMPANY, INC.**  
P.O. Box 310  
Erin, TN 37061  
(931) 289-4221  
(931) 289-4220 (Fax)
- 17) **TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.**  
P.O. Box 10  
244 E. Main Street  
Bradford, TN 38316  
(901) 742-2211  
(901) 742-2212 (Fax)
- 18) **UNITED TELEPHONE COMPANY**  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034  
(931) 364-2289  
(931) 364-7202 (Fax)
- 19) **CONSUMER ADVOCATE AND PROTECTION DIVISION**  
Russell Perkins, Esq.  
Office of Consumer Advocate and Protection Division  
Tennessee Attorney General & Reporter  
425 Fifth Avenue North  
Nashville, Tennessee 37202-0207

## LIST OF EXHIBITS

- Exhibit A Articles of Organization of Tennessee Independent Telecommunications, LLC d/b/a Iris Networks ("Iris")
- Exhibit B Names and addresses of the governors of Iris
- Exhibit C Résumés of the principal managers and key technical staff of Iris
- Exhibit D Chart of owernship structure of Iris
- Exhibit E Financial statements of Iris including three-year pro-forma and capital expenditures budget (**Confidential** – Filed under seal)
- Exhibit F Small and Minority-Owned Telecommunications Business Participation Plan
- Exhibit G Prefiled Testimony
- Exhibit H Notice to Incumbent Carriers and Consumer Advocate Protection Division
- Exhibit I Franchise with the City of Knoxville



Exhibit A

Articles of Organization of Tennessee Independent  
Telecommunications, LLC d/b/a Iris Networks

Board of Governors  
Tennessee Independent Telecommunications Group, LLC  
d/b/a IRIS Networks  
Nov. 2002- Nov. 2003

Mr. Terry Wales  
Ardmore Telephone Company  
P. O. Box 549  
517 Ardmore Avenue  
Ardmore, TN 38449

Mr. Bill Franklin  
Scott County Telephone Coop.  
P.O. Box 487  
121 Woodland Street  
Gate City, VA 24251

Mr. Levoy Knowles  
Ben Lomand Rural Telephone Cooperative  
P.O. Box 670  
311 North Chancery Street  
McMinnville, TN 37111

Mr. Robert Dudney  
Twin Lakes Telephone Cooperative  
P. O. Box 67  
201 Gore Avenue  
Gainesboro, TN 38562-0067

Mr. Greg Anderson  
Bledsoe Telephone Cooperative  
P.O. Box 609  
203 Cumberland Ave.  
Pikeville, TN 37367

Mr. Herb Bivens  
United Telephone Company  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034

Mr. Wayne Gassaway  
DTC Communications  
P.O. Box 247  
111 High Street  
Alexandria, TN 37012

Mr. Trevor Bonnstetter  
West KY Rural Telephone Coop.  
P.O. Box 649  
237 North 8<sup>th</sup> Street  
Mayfield, KY 42066

Mr. Fred Terry  
Highland Telephone Cooperative  
P. O. Box 119  
7840 Morgan County Hwy.  
Sunbright, TN 37872

Mr. Tom Rowland  
North Central Communications, Inc.  
P.O. Box 70  
Hwy 52 By-Pass  
Lafayette, TN 37083

Ms. Desda Hutchins  
Loretto Communications Services, Inc.  
P.O. Box 130  
136 S. Main Street  
Loretto, TN 38469

Exhibit C

Résumés of the principal managers and key technical staff of Iris

## **Principal Managers**

**Ellen Bryson**  
Chief Manager

**Richard Ebner**  
Director of Sales

**Tim Adkins**  
Director of Operations

**Peter De Bono**  
Director of Engineering

All can be contacted at the address and phone numbers below.

Iris Networks  
211 Commerce Street  
Suite 610  
Nashville, TN 37201  
(615) 425-2300 main  
(615) 986-2092-fax

**M. Ellen Bryson**  
2954 Spanntown Road  
Arrington, TN 37014  
615-395-4158-Home  
**ebryson830@aol.com**

## **SUMMARY OF QUALIFICATIONS**

Broadly experienced and results driven executive with a verifiable record of delivering enhanced productivity, streamlined operations, and improved performance. A natural leader with a strong entrepreneurial spirit and a special talent for transitioning strategy into action and achievement. Excellent qualifications in managing large-scale projects from concept through planning, design, development, and task management. Driven and highly motivated to exceed expectations.

## **PROFESSIONAL EXPERIENCE**

*IRIS Networks, Nashville, Tennessee*

*2000 to Present*

A wholesale carrier's carrier providing transport throughout Tennessee to telecommunications carriers

Chief Executive/General Manager

- Developed Business Plan for wholesale carrier's carrier business
- Secured \$5M in equity funding and \$16M in debt funding in a severely depressed telecommunications market
- Built the company from the ground up
- Administer a \$16M annual construction budget and a \$3+ M operating budget
- Led design and implementation of 1500-mile fiber optic network in Tennessee
- Define vision, create strategies, and establish tactical goals for achieving objectives
- Manage the day-to-day activities of the company

*Tennessee Telecommunications Association, Nashville, Tennessee*

*1998-2000*

A statewide telecommunications trade organization

Executive Director

- Increased membership 36% through marketing efforts and active recruitment of new members
- Appointed Project Leader of the Tennessee Number Conservation Task Force by the Tennessee Regulatory Authority
- Managed day-to-day activities of the Association
- Acted as advocate and credible resource for the telecommunications industry with state legislature, state regulatory authority, and business leaders across Tennessee

*Jackson Thornton & Co P C, Atlanta, Georgia*

*1996-1998*

A utility consulting firm specializing in strategic planning, new business development and regulatory assistance for electric, gas and telecommunications companies in the Southeast

Consultant

- Led telephone and electric companies through strategic planning processes and assisted them in developing implementation plans to accomplish goals
- Developed local exchange/toll tariffs on behalf of clients and filed with state and federal regulatory agencies
- Designed billing program in accordance with federal guidelines and provided billing services for payphone providers
- Summarized state and federal orders and evaluated effects on telephone clients

Ellen Bryson

- Conducted feasibility studies and risk assessments of toll resale projects for telephone companies in Alabama and Tennessee
- Led Alabama Universal Service Task Group and Alabama Toll Resale Consortium
- Performed Telecommunications Relay System Audit for the Georgia Public Service Commission

*National Exchange Carriers Association (NECA), Atlanta, Georgia* 1987-1996

A not-for-profit membership corporation, formed by the FCC, to administer the telecommunication's industry access charge plan

Director-Southern Region 1992-1996

- Directed the overall administration and management of regional office  
At the time of this appointment, I was the youngest person and the only woman to ever hold this position
- Directed audits to ensure the integrity of settlements and accuracy of billing
- Administered and directed the monthly regional pooling process for 216 companies totaling more than 2M access lines
- Provided tariff/regulatory guidance and interpretation to telephone companies
- Consistently selected for advanced responsibility ahead of peers based upon proven ability to deliver combined with superior leadership, management, and technical skills
- Represented NECA as a contract consultant to the World Bank during the privatization of telecommunications in India during 1994
- Managed \$1 2M budget

Manager 1987-1991

- Managed and directed a 12 member interdepartmental team responsible for developing an alternative settlement/pooling methodology
- Successfully resolved a \$1M dispute with SPRINT
- Participated on special project team to streamline audit procedures and process
- Developed and assisted in programming a mechanized bill validation program that was adopted by the company as the audit standard for verifying billing data
- Performed detailed audits to insure compliance with FCC rules and regulations

*Contel Corporation-Atlanta, Georgia* 1981-1987

A telephone holding company

Analyst

- Administered \$7M Billing & Collection Pool
- Represented Contel on the Industry Access Service Advisory Group
- Developed and implemented a PC-based pooling mechanism for calculating and distributing Billing and Collection revenues for the system

Assistant Treasurer, Contel Texocom

Accountant, Contel Texocom

Staff Analyst-Rates, Contel Service Corporation

*Georgia Public Service Commission, Atlanta, Georgia* 1979-1981

Ellen Bryson

Auditor

**OTHER PROFESSIONAL ACHIEVEMENTS**

- Board Member, INDATELgroup, 2003
- Board Member/Vice President-Financial Development, Nashville Women's Political Caucus, 2002-2003
- Board Member, Tennessee Telecommunications Association, 2002-2003
- Alabama/Mississippi Telephone Association, Associate Member Group-President, 1996-1997, AMTA Board Member 1996-1997, Vice-Chair 1995-1996, Second Vice-Chair, 1994-1995
- Florida Telephone Industry Association, Associate Member Group Vice-Chair, 1996-1997, Senior Vice-Chair, 1995-1996
- Georgia Telephone Association, Education and Convention Committees, 1995-1998, Charity Tennis Tournament Chairman 1996-1998
- Presentation (Interstate Access Charges/Tariffs) to Indonesian Government at the request of the U S State Department, 1994
- Telecommunications Consultant on behalf of the World Bank during the privatization of telecommunications in India, 1994
- Contel Professional Development Association-President, 1986-1987, Vice President, 1985-1986
- Consultant, Project Business, a Division of Junior Achievement, Inc 1984-1985
- Numerous talks and presentations to state, regional and national telephone associations, State and Federal Regulators

**PROFESSIONAL ORGANIZATIONS**

- Tennessee Leadership, Nashville Women's Political Caucus, Business Advisory Council to the National Republican Congressional Committee, Tennessee Telecommunications Association, INDATELgroup, and the Downtown Nashville Exchange Club

**FORMAL EDUCATION**

- Georgia College, Milledgeville, Georgia Bachelor of Business Administration Double major in accounting and management

=====

**RICHARD WAYNE EBNER**

3606 Bear Creek Road Thompsons Station, Tennessee 37179  
(615) 791-9738

=====

**Iris Networks**

**(Nash TN) 2003**

Director of Sales responsible for all of sales for a small statewide network  
Channels supported are direct, member and master agent sales

**XO Communications**

**(NASH TN) (2000-2002)**

Carrier Account Manager, responsible for sales to National carriers Started managing a base of \$0 monthly reoccurring revenue and in 6 months have the module producing 150% of booked revenue and installing 105 % of quota

**TCG/AT&T-Local Services (NASH TN) 1997 TO 2000**

Regional Account Manager, responsible for managing sales to small IXC's and ISP's in the Bell South area. Account base was at \$133,000 monthly when I took over managing it, and with new accounts and additional revenue from existing accounts has grown to over \$505,000 monthly in under two years  
Quota attainment was 163% for 1999

**PV TEL (NASHVILLE TN)**

**1995 TO 1997**

Consultant, many different projects integrating new telecommunications technologies for end-users, and small IXC carriers One project involved starting up a small IXC in Detroit, MI Many other various telecom related projects

**INTELCOM GROUP - ACCESS SERVICES ( NASH,TN) 1994 TO 1995**

Account Manager, was responsible for managing sales for large strategic accounts, carrier sales, retail sales for Nashville, revenue estimation and assisting with network design as per customer requirements

**FEDERAL ENGINEERING, INC. (FAIRFAX, VIRGINIA) 1991 TO 1994**

Telecommunications Consultant had worked on many projects for Federal Engineering, which has a contract with the State of Tennessee Projects worked on include Downtown Nashville Campus fiber network, T-1 backbone design, Long Range Plan for Telecom, and many other related projects

**FIRST AMERICAN BANK (NASHVILLE, TENNESSEE) 1987 TO 1991**

Hardware Facilities Manager, personally responsible for the total redesign and implementation of a \$10 million integrated voice and data network based on advanced digital technology Managed all aspects of data processing and telecommunications hardware including facilities and staff

EDUCATION

**BBA MANAGEMENT/FINANCE 1981**

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

Professional and Personal References Available upon Request



April 1999 to October 2001

AT&T Local Network Services

Private Line/Project Management Operations Manager TN/AL

Job duties and requirements: provided leadership and direction in the private line, customer service, and maintenance area. Managed three project managers. Other responsibilities included, cost reduction, mtrr management, capital budgets, backlog reduction, on time performance, creation and implementation of new management techniques. I supported four direct reports and twenty-eight technicians.

***Achievements in position:***

- Successfully passed NVT inspections in all four of our Mid South cities the first time through resulting in F2 status for the entire region. The Mid south was the first to achieve this status in the entire U.S.
- Established timelines, budgets, and RFQs, for all projects in the Mid South area.
- Performed the role as Private Line Manager for the Mid South Operations team. This region consisted of Tennessee, Kentucky and Alabama. The cities are Chattanooga, Birmingham, Knoxville, Louisville, Lexington and Nashville. Personnel included four direct reports and twenty-eight indirect reports.
- Developed an organization and process for order control and backlog reduction in the Mid South, which resulted in a 70% plus decrease in less than a three month period.
- Assigned as a Team Leader on the Opry Mills project. This project was to provide local service to the largest shopping mall in Tennessee. My portion of the project which included inside plant, power, racking, and cabling was completed on time and under budget.
- Created a functional work structure within the Mid South to utilize individual areas of expertise among employees.
- Completion of three Titan 5500 DACS augments on time at budget in each of the four cities now reaching maximum capacity in each of the Mid South cities.
- Completion of four oc48 ring overbuilds (one for each of the cities) to accommodate sudden increase in order flow due to the AT&T purchase of TCG.
- Opened barriers that existed between sales and operations to create a more cohesive work environment.

May 1998 to April 1999

AT&T local Network Services

Operations Supervisor Nashville, TN

Job duties and requirements: provided leadership and direction for the private line and switch personnel in the Nashville operations group. Other responsibilities included, managing all maintenance requirements, node augments, transmission augments, weekly and monthly reports.

***Achievements while in position:***

- Successful roll out of all AT&Ts' local carrier service. This project was titled as "Project White". It consisted of two, three node OC48 rings in the Nashville area.
- Created a learning program for new technicians for circuit layout and design
- Managed a rigorous workload of both private line and switching.

May 1997 to May 1998

TCG/ AT&T Local Network Services

Private Line Technician

Job duties and requirements: Met and exceeded all TCG deliverables ie...EOD, SSD, EDD, CTD and DD. These particular measurements were applied with DS3, OC equipment, DS1, power plants, and telemetry equipment.

***Achievements while in position:***

- Met K date of switching and private line equipment.
- Played a major part in the test and turn up of the four Mid South cities oc equipment.

February 1994 to May 1997

ICG Telecom

Senior Technician

Job duties and requirements: New node and hub development, test and turn up OC equipment, power and racking installation, supervision and on site engineering changes as needed with node expansion and new installs.

April 1993 to February 1994

LDDS

Maintenance Technician

Installation and maintenance of customer premise equipment.

January 1992 to March 1993

Inspectorate

River Barge and Coal Inspector

Job duties and responsibilities: weight inspection and coal grading of barges.

April 1990 to December 1991

WilTel

Operations Technician II

Job duties and responsibilities: maintenance and restoration of a 240 mile fiber route that extended from Raleigh, NC to Columbia, SC.

June 1989 to April 1990

Norlight

Network Status Center Technician

Job duties and responsibilities: performed diagnostics on fiber rings and associated telemetry equipment, ranging from Milwaukee, WI to Minneapolis, MN.

March 1986 to June 1989

Trans Global Communications

Installation Supervisor

Job duties and responsibilities: CO installation and supervision which consisted of framework, OC equipment, 3 to 1 mux equipment, power plants, telemetry equipment, and fiber spicing.

***References:***

Mark Cazee

Project Manager

KDL

615 286 4369

Tom Proctor

District Manager

Atlanta, GA

770 810 9956

# PETER DE BONO

## EDUCATION

---

Footscray Technical College, Melbourne, Australia

***Certificate of Technology***

Course of study - Electronic Engineering, 4-year degree

## WORK EXPERIENCE

---

12/02 – Present Kentucky Data Link, Evansville, IN

***Network Optical Engineer***

Responsible for designing SONET Network engineering solutions, designing long-haul DWDM infrastructure based on a Cisco model, providing Level III engineering support for field services, supervising optical engineer, researching and developing new technology solutions, and project management – all facets including designing concept, engineering project release, equipment procurement and staging, overseeing any technical installation issues, acceptance and project release to provisioning

9/00 – 9/02 Norlight Telecommunications, Milwaukee, WI

***Network Services Transport Engineer***

Responsible for network planning, design, and build-out of optical transport systems including Cisco, Nortel and Hitachi; Provided Level II Engineering Support on projects to technical field staff as needed; Responsible for central office collocation cost-analysis, design, acceptance, build-out/project management or multiple vendors; Responsible for facilities support including but not limited to DC system design of rectifier/battery plant, AC back-up generator; Closely supported carrier sales team on off-site sales presentations, locally and regionally; Tested and evaluated vendor equipment for deployment suitability within network, wrote recommendations to senior staff members regarding evaluation results

11/98 – 9/00 TCC Powercom, Milwaukee, WI

***Network Engineer***

Responsible for network infrastructure based on a Unix model with Cisco routers and Lucent terminal servers; In charge of network provisioning and ordering; Facilities Manager duties including supervision of field technician, responsibility for directing and supervising of contracted field staff for POP Turn-up

2/97 – 11/98 Ticketmaster, Milwaukee, WI

***Manager of Technical Services***

Responsible for all hiring, training and supervision of field technical staff; Performed complete office technology reorganization; Oversee installation and maintenance of statewide network; Plan and implement installation of new facilities and outlets; Order all data circuits and equipment including analog/digital lines, leased data lines, ISDN, T1 lines, multiplexers, servers, modems, CSU/DSU and peripheral; LAN system administrator; Provide technical assistance to other regional Technical Managers; traveled to England and Ireland to assist in infrastructure installation.

# PETER DE BONO

## WORK EXPERIENCE CONTINUED

---

6/94 – 2/97      Ticketmaster, Pittsburgh, PA  
***Technical Services***

Installation and maintenance of data equipment including: multiplexers, digital/analog circuits, satellite equipment, T1, VAX, modems, PCs, printers, 10base-t ethernet, LAN setup, ISDN lines; Maintenance of small business telephone system

6/90 – 2/94      Topcat Communication, Melbourne, VIC  
***Owner/Manager***

Supervised subcontracted staff; Installation, maintenance and sales of small business telecommunication equipment; Design and system solutions for specific applications

9/87 – 10/92      Telecom Australia, Melbourne, VIC  
***Senior Technical Officer***

Supervision and technical support for field-based technical staff; Technical regulatory officer; Direct customer liaison officer for major business accounts; field installation of PBX, LAN, security systems; Private data line design and installation including repeaters, balanced networks and broadcast; Queuing systems

1/83 – 8/87      Telecom Australia, Melbourne, VIC  
***Field Service Technician***

One-year central office maintenance including step, crossbar and digital; System cable installation; Maintenance of small business systems, Participated in 2-year company sponsored training program

# IRIS Networks

## Organizational Chart

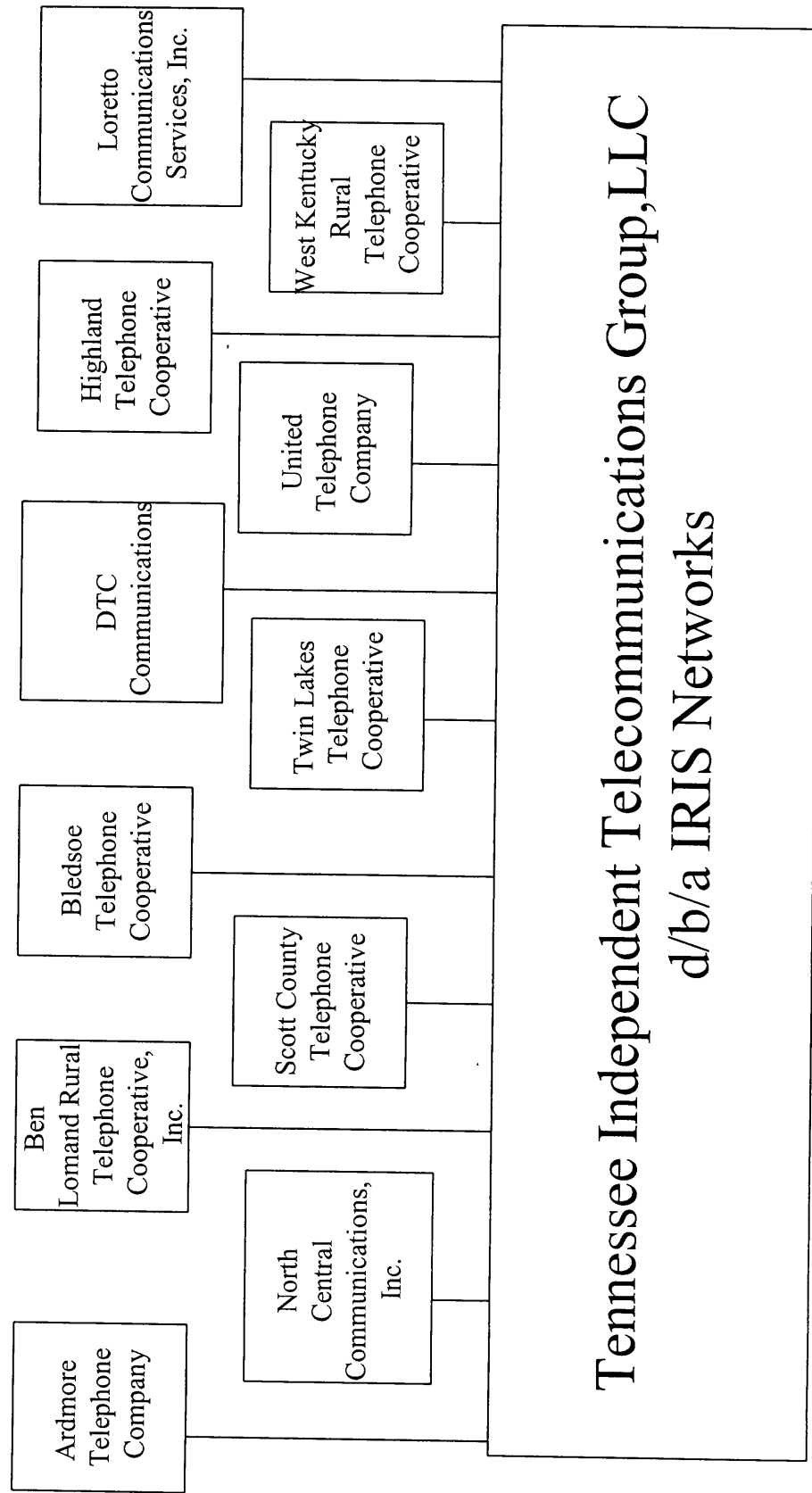


Exhibit E

Financial statements of Iris, including  
three-year pro-forma and capital expenditures budget  
(**Confidential** – Filed under seal)

Exhibit F

Small and Minority-Owned Telecommunications Business Participation Plan

**TENNESSEE INDEPENDENT TELECOMMUNICATIONS GROUP, LLC  
D/B/A IRIS NETWORKS**

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS  
PARTICIPATION PLAN**



**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS  
PARTICIPATION PLAN**

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## **SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN**

### **1. PLAN**

- 1.1 This Small and Minority-Owned Telecommunications Business Participation Plan ("Plan") is submitted by Tennessee Independent Telecommunications Group, LLC d/b/a Iris Networks ("Iris") pursuant to T.C.A. §65-5-212.
- 1.2 The Administration of this Plan is the responsibility of Iris. It is the intent of Iris to provide an opportunity for Small Businesses, and Minority-Owned Businesses to compete for subcontracts awarded by Iris on a fair and equitable basis with all telecommunication suppliers and contractors.

### **2. DEFINITIONS**

- 2.1 For the purpose of this Plan, "Small Business" means a business with annual gross receipts of less than four million dollars (\$4,000,000) per T.C.A. §65-5-212.
- 2.2 For the purpose of this Plan, "Minority Business" means a business that is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned by an individual who personally manages and controls the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000) per T.C.A. §65-5-212.

### **3. PLAN RESPONSIBILITY**

- 3.1 It is the intent of Iris Networks to afford Small and Minority-Owned Telecommunications Businesses an opportunity to participate in the performance of contracts in accordance with T.C.A. §65-5-212.
- 3.2 This plan is a statement of objectives and is not intended to create any legal obligations of Iris to any person.

### **4. PLAN PERIOD OF EFFECTIVENESS**

- 4.1 Iris is committed to providing affirmative access to contracting opportunities for Small and Minority-Owned Telecommunications Businesses. Iris is proactive and will move toward inclusion of such

firms in the telecommunications supplier base. This plan represents an on-going commitment by Iris, and has no fixed time period for effectiveness.

## 5. PLAN ADMINISTRATION

5.1 Iris has designated an employee to have the responsibility of administering the Plan and developing and implementing policies and procedures to allow for the success of Iris efforts to purchase goods and services from Small and Minority-Owned Telecommunications Businesses.

5.2 The current employee who has been designated as the Plan Administrator is:

Tim Adkins  
211 Commerce Street  
Suite 610 Nashville, TN 37201

615-425-2315 (telephone)

615-986-2092 (fax)

5.3 The Administrator's specific job duties, as they relate to this Plan are as follows:

- (a) Develop and maintain a Supplier Master List which is a listing of Small and Minority-Owned Telecommunications Businesses who are deemed eligible to be telecommunications suppliers for Iris.
- (b) Establish and maintain policies and procedures to ensure that Small and Minority-Owned Telecommunication Businesses have an equitable opportunity to be awarded contracts.
- (c) Maintain correspondence and records related to the Plan.
- (d) Serve as liaison between Iris and the TRA and any other state agencies regarding any compliance review and reports.

## **6. PLAN TO ASSURE EQUITABLE OPPORTUNITY**

6.1 The Administrator shall ensure that appropriate source listings and services are properly utilized to identify potential contractors in support of this Plan. Sources / listings include, but are not limited to the following:

- (a) The Iris approved Master Supplier List.
- (b) Information received from the Small Business Administration Procurement Automated Source System ("PASS").
- (c) Information sources received from the TN Department of Economic Development's Office of Minority Business Enterprise and Small Business Office.
- (d) Information received from Chambers of Commerce, the Nashville Minority Business Development Center and other such referral sources.

6.2 Outreach efforts will be made as follows:

- (a) The Administrator shall cultivate and maintain relationships with Small Business trade associations and business development organizations in an effort to locate and qualify capable Small and Minority-Owned Telecommunications Businesses for participation in contracting opportunities.
- (b) The Administrator shall ensure that Iris provides adequate and timely consideration of the potentialities of Small and Minority-Owned Telecommunications Businesses in contracting and procurement decisions.
- (c) Offer assistance and counseling to explain requests for bids and quotations, technical and quality assurance requirements, types of business specifically being sought from outside suppliers and the mechanics of Iris procurement process.

## **7. PLAN REPORTING**

7.1 Iris will submit such periodic reports and cooperate in those studies or surveys as may be required by the TRA to determine the extent of compliance with this Plan.

7.2 Iris will maintain, if required, the following types of records:

- (a) Source lists, guides, and other data that identify Small and Minority-Owned Telecommunications Businesses.
- (b) Lists of organizations contacted in an attempt to locate sources that are Small and Minority-Owned Telecommunications Businesses.
- (c) Records of any outreach efforts to contact trade associations, business development organizations, and conference and trade fairs attended.
- (d) Records of Small and Minority-Owned Telecommunications Businesses that have contracted with Iris.

Exhibit G

Prefiled Testimony

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE: APPLICATION OF TENNESSEE )  
INDEPENDENT TELECOMMUNICATIONS )  
GROUP, LLC D/B/A IRIS NETWORKS FOR )  
A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
PROVIDE CERTAIN )  
TELECOMMUNICATIONS SERVICES )  
WITHIN THE STATE OF TENNESSEE AND )  
APPROVAL OF FRANCHISE WITH THE )  
CITY OF KNOXVILLE )**

**DOCKET NO. \_\_\_\_\_**

---

**PRE-FILED TESTIMONY OF ELLEN BRYSON**

---

1 I, Ellen Bryson, do hereby testify as follows in support of the Application of Tennessee  
2 Independent Telecommunications Group, LLC d/b/a Iris Networks ("Iris Networks") for a  
3 Certificate of Public Convenience and Necessity to provide carrier's carrier and competitive  
4 access services within the State of Tennessee.

5 **Q. PLEASE STATE YOUR FULL NAME, BUSINESS ADDRESS AND TITLE.**

6 **A.** My name is Ellen Bryson and my business address is 211 Commerce Street, Suite 610,  
7 Nashville, Tennessee 37201. I am the Chief Manager of Iris Networks.

8 **Q. PLEASE DESCRIBE YOUR CURRENT DUTIES AND RESPONSIBILITIES FOR**  
9 **IRIS NETWORKS.**

10 **A.** I am responsible for setting the strategic direction of the company and management of  
11 the day-to-day operations.

12 **Q. PLEASE DESCRIBE THE CURRENT OWNERSHIP STRUCTURE OF IRIS**  
13 **NETWORKS.**

14 **A.** Iris Networks is a Tennessee limited liability company. The members of Iris  
15 Networks are: Ardmore Telephone Company, Ben Lomand Rural Telephone

1 Cooperative, Inc., Bledsoe Telephone Cooperative, DTC Communications, Highland  
2 Telephone Cooperative, Loretto Communications Services, Inc., North Central  
3 Communications, Inc., Scott County Telephone Cooperative, Twin Lakes Telephone  
4 Cooperative, United Telephone Company, and West Kentucky Rural Telephone  
5 Cooperative.

6  
7 **Q. WHAT SERVICES DOES IRIS NETWORKS PLAN TO OFFER IN TENNESSEE?**

8 **A.** Iris Networks will provide wholesale high-speed transport to carriers. Iris supplies  
9 interexchange carriers ("IXC's"), competing local exchange carriers ("CLECs"), wireless  
10 carriers, Internet service providers, and other carriers cost effective long haul  
11 telecommunications transport over leased circuits.

12  
13 Iris also provides tandem access switching on behalf of incumbent local exchange  
14 carriers. The ILECs could actually bill this access directly, but the IXCs prefer one  
15 consolidated bill. Thus, the ILECs who use Iris entered into an arrangement with Iris  
16 to bill the carrier access revenues on their behalf. Iris bills these revenues and then  
17 pays the revenues to the ILECs without a mark up. Iris generates its revenue from the  
18 transport to and from the switch.

19 **Q. IS IRIS NETWORKS SEEKING AUTHORITY TO PROVIDE COMPETING**  
20 **LOCAL EXCHANGE AND INTEREXCHANGE SERVICES?**

21 **A.** No. Iris Networks is not seeking authority as a competing local exchange carrier  
22 ("CLEC") or as an interexchange carrier ("IXC"). Iris does not provide service to end-  
23 users. It is a wholesale transport carrier. If Iris later wishes to provide CLEC and IXC  
24 services, it will file another application with the TRA.

25 **Q. WHAT IS THE PROPOSED SERVICE AREA OF IRIS NETWORKS?**



1 A. Iris Networks seeks certification to offer its transport and competitive access services  
2 throughout the state of Tennessee.

3 Q. PLEASE DESCRIBE THE MANAGERIAL AND TECHNICAL QUALIFICATIONS  
4 OF IRIS NETWORKS.

5 A. Iris Networks possesses the managerial and technical qualifications to provide transport  
6 and competitive access services in Tennessee. As described in the biographical  
7 information accompanying its Application, the management team of Iris Networks has  
8 extensive management and business experience in the telecommunications industry. I  
9 have more than twenty years of telecommunications and management experience. Prior  
10 to becoming Chief Manager of Iris Networks in October 2000, I was Executive Director  
11 of the Tennessee Telecommunications Association, where I advocated on behalf of  
12 industry carriers to legislators, regulators and business leaders. I was a  
13 telecommunications consultant for Alabama based Jackson Thorton & Company and  
14 directed regional activities for the National Exchange Carrier Association. I have held  
15 multiple positions with Contel Corporation, a telephone holding company, and prior to  
16 that I performed regulatory audits for the Georgia Public Service Commission. I also  
17 was a consultant to the World Bank during the privatization of India's  
18 telecommunications industry. I have a BBA in Accounting and Management from  
19 Georgia College in Milledgeville, GA.

20  
21 Richard Ebner, Iris' Director of Sales, has more then fifteen years experience in the  
22 telecommunications industry. Prior to joining Iris Networks, Richard Ebner served as  
23 Carrier Account Manager for XO Communications, where he was responsible for sales  
24 efforts to national carriers. Ebner has held management, sales and consulting roles  
25 with AT&T, PV Tel, Intelcom Group, Federal Engineering, Inc. and First American

1 Bank. He holds a BBA in Management and Finance from Middle Tennessee State  
2 University.

3  
4 Tim Adkins, our Director of Operations, has fifteen plus years of experience in the  
5 telecommunications industry. Previously, Mr. Adkins was Director of Field Operations  
6 for Kentucky Data Link, and has held various operations positions with ATT Local,  
7 TCG, and ICG.

8  
9 Peter De Bono, our Director of Engineering, has over twenty years experience in the  
10 telecommunications industry. He has served as Network Engineer at Kentucky Data  
11 Link, Norlight Telecommunications and TCC Powercom. He has a Certificate of  
12 Technology from Footscray Technical College in the Melbourne, Australia.

13 **Q. PLEASE DESCRIBE THE FINANCIAL QUALIFICATIONS OF IRIS**  
14 **NETWORKS.**

15 **A.** Iris Networks will be funded by its owners via equity investments and/or loans until its  
16 internally generated cash flow is sufficient to execute its business plan independently.  
17 The confidential pro-formas filed with the Application project the use of equity, loans  
18 and anticipated revenue for the next 3 years. Iris expects to make a profit by year 2006.

19 **Q. WILL IRIS NETWORKS SHARE EMPLOYEES WITH ANY OF ITS MEMBERS?**

20 **A.** No.

21 **Q. WILL GRANTING A CERTIFICATE OF PUBLIC CONVENIENCE AND**  
22 **NECESSITY TO IRIS NETWORKS SERVE THE PUBLIC INTEREST?**

23 **A.** Yes. Granting authority to Iris Networks is in the public interest because Iris provides  
24 an alternative to CLECs and other carriers who wish to provide service in rural areas,  
25 but do not desire to deploy the capital necessary to build their own facilities. Iris

1 Networks also provides an alternative for transport in metropolitan areas.

2  
3 Although federal rules allow carriers to control their own traffic and thus use tandems  
4 switches other than the ones offered by the regional Bell operating companies, the  
5 economies of scale make it difficult for any one small carrier to justify the cost of  
6 creating their own tandem switch. Iris provides rural ILECs with an alternative to  
7 BellSouth for tandem switching. Consequently, these ILECs are able to gain the  
8 benefit of collecting transport revenues for routes supplied by Iris, that were formerly  
9 supplied by BellSouth. Rural ILECs will also have some assurance that they are  
10 receiving all the terminating records for traffic that hits their network. For many years  
11 there have been contentions that BellSouth was unwilling or unable to supply all  
12 records of traffic that terminated to rural ILEC'S.

13 **Q. HAS IRIS NETWORKS FILED A SMALL AND MINORITY-OWNED BUSINESS**  
14 **PARTICIPATION PLAN?**

15 **A.** Yes.

16 **Q. HAS IRIS NETWORKS FILED A TOLL DIALING PARITY PLAN?**

17 **A.** No. Since Iris Networks does not provide telephone service, a toll dialing party plan is  
18 not applicable to Iris Networks.

19 **Q. WILL IRIS NETWORKS OFFER TELECOMMUNICATIONS SERVICES IN**  
20 **AREAS SERVED BY INCUMBENT LOCAL EXCHANGE CARRIERS WITH LESS**  
21 **THAN 100,000 ACCESS LINES?**

22 **A.** It will not offer CLEC services, but it will offer transport and tandem access services in  
23 areas served by ILECs with less then 100,000 access lines.

24 **Q. IS IRIS NETWORKS AUTHORIZED TO PROVIDE TELECOMMUNICATIONS**  
25 **SERVICES IN ANY OTHER STATE?**

1    **A.**     Iris does not have a Certificate of Public Convenience and Necessity in any other state.  
2           Through contractual relationships with other companies Iris Networks provides  
3           transport services in North Carolina, Kentucky, West Virginia, Virginia, Maryland,  
4           Pennsylvania, Ohio, Indiana, Alabama, Georgia, South Carolina and Florida.

5    **Q.**     **HAS ANY STATE EVER DENIED IRIS NETWORKS AUTHORIZATION TO**  
6           **PROVIDE INTRASTATE SERVICE?**

7    **A.**     No.

8    **Q.**     **DOES THE IRIS NETWORKS HAVE AN APPLICATION PENDING IN ANY**  
9           **OTHER STATE TO PROVIDE INTRASTATE SERVICE?**

10   **A.**     No.

11   **Q.**     **HAS ANY STATE EVER REVOKED THE CERTIFICATION OF IRIS**  
12           **NETWORKS?**

13   **A.**     No.

14   **Q.**     **HAS ANY COMPLAINT EVER BEEN FILED WITH A REGULATORY AGENCY**  
15           **AGAINST IRIS NETWORKS?**

16   **A.**     No.

17   **Q.**     **HAS IRIS NETWORKS BEEN INVOLVED IN ANY PERTINENT MERGERS OR**  
18           **ACQUISITIONS?**

19   **A.**     No.

20   **Q.**     **DOES IRIS NETWORKS INTEND TO COMPLY WITH ALL APPLICABLE**  
21           **STATUTES, RULES AND ORDERS PERTAINING TO THE PROVISION OF**  
22           **TELECOMMUNICATIONS SERVICES IN TENNESSEE?**

23   **A.**     Yes.

24   **Q.**     **ARE ALL STATEMENTS IN THE APPLICATION OF IRIS NETWORKS FOR A**  
25           **CERTIFICATE OF CONVENIENCE AND NECESSITY FILED BEFORE THE**

1           **TENNESSEE REGULATORY AUTHORITY TRUE AND CORRECT TO THE**  
2           **BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF?**

3   **A.**     Yes.

4   **Q.**     **DOES THIS CONCLUDE THIS TESTIMONY?**

5   **A.**     Yes

**VERIFICATION**

I, Ellen Bryson, declare under penalty of perjury that I am authorized by Tennessee Independent Telecommunications Group d/b/a Iris Networks to testify on its behalf, that I have caused the foregoing written testimony to be prepared on my behalf, that I have read the foregoing testimony and that the statements contained therein are true and correct to the best of my knowledge, information and belief.

Ellen Bryson

Ellen Bryson  
Chief Manager  
Iris Networks

STATE OF TENNESSEE )

COUNTY OF Davidson )

Sworn to and subscribed before me this 31st day of October, 2003.

Andrea Grunfeld

Notary Public

My Commission Expires: 3-9-04

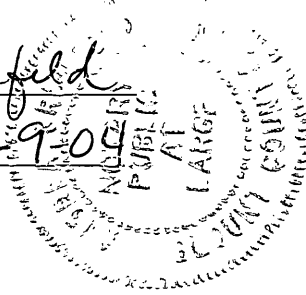


Exhibit H

Notice to Incumbent Carriers and Consumer Advocate Protection Division

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

IN RE: APPLICATION OF TENNESSEE )  
INDEPENDENT TELECOMMUNICATIONS )  
GROUP, LLC D/B/A IRIS NETWORKS FOR A )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO PROVIDE CERTAIN )  
TELECOMMUNICATIONS SERVICES )  
WITHIN THE STATE OF TENNESSEE )  
AND APPROVAL OF FRANCHISE )  
WITH THE CITY OF KNOXVILLE )  
)

DOCKET NO. \_\_\_\_\_

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APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE  
AND NECESSITY AND APPROVAL OF FRANCHISE

---

Pursuant to T.C.A. §65-4-201, Tennessee Independent Telecommunications Group, LLC d/b/a Iris Networks hereby serves notice of its filing with the Tennessee Regulatory Authority ("TRA") an application for a certificate of public convenience and necessity to provide competitive access and transport services in Tennessee and approval of its franchise with the City of Knoxville, on this 3<sup>rd</sup> day of November, 2003. Copies of the Application are available from the TRA.

By: D. Billye Sanders  
D. Billye Sanders, Esq.  
Waller Lansden Dortch & Davis  
A Professional Limited Liability Company  
511 Union Street, Suite 2100  
Nashville, TN 37219  
Telephone: (615) 244-6380  
Facsimile: (615) 244-6804

Counsel for Iris Networks



Exhibit I

Franchise with the City of Knoxville

**DEBRA C. POPLIN**  
Deputy Law Director  
City of Knoxville

Document No. **C-03-0024**

**LICENSE AGREEMENT**

THIS AGREEMENT is made by and between the **CITY OF KNOXVILLE**, a municipal corporation organized and existing under the laws of the State of Tennessee, with its offices at 400 Main Avenue, P.O. Box 1631, Knoxville, Tennessee 37901, (hereinafter referred to as (“CITY”) and **TENNESSEE INDEPENDENT TELECOMMUNICATIONS GROUP, L.L.C.**, d/b/a **IRIS NETWORKS**, a limited liability company organized and existing under the laws of the State of Tennessee, with its principal offices at 211 Commerce Street, Suite 610, Nashville, Tennessee 37201 (hereinafter referred to as “IRIS”).

**W I T N E S S E T H**

**WHEREAS**, IRIS proposes to construct, maintain, operate and use a fiber optic telecommunications network within City’s rights-of-way for exclusively “long-haul” transport; and

**WHEREAS**, the City desires to permit, under the terms and conditions set forth herein, the placement and use of said facilities within its rights-of-way, subject to the compliance of IRIS, its agents, employees, contractors, successors and assigns with all current and future lawful ordinances, resolutions, and other current and future lawful regulations of the City, and with the terms of this Agreement.

**NOW THEREFORE**, City and IRIS, for the mutual considerations set forth herein, agree as follows:

work or action to cure such violation within such (30) days and diligently proceed to cure it, IRIS may be allowed such additional time to cure it as may be necessary, so long as the work or action to cure the violation is being diligently pursued as determined by the City.

4.2 In addition to all other rights and powers retained by the City under this Agreement or otherwise, the City reserves the right to revoke this license, and all rights and privileges of IRIS hereunder shall cease, in the event of material breach, subject to reasonable notice and opportunity to cure, of its terms and conditions. A material breach by IRIS shall include, but shall not be limited to, the following:

4.2.1 IRIS's violation of any material provision of this Agreement or any material rule, order, regulation or determination of the City made pursuant to this Agreement;

4.2.3 IRIS's failure to compensate the City properly as required in this Agreement;

4.2.4 IRIS's attempt to evade any material provision of this Agreement or to practice any fraud or deceit upon the City or City resident, businesses or property owners;

4.2.5. IRIS's failure to complete its construction and provide services as described herein;

4.2.6 IRIS's attempt to sell, transfer, convey or assign any of the rights and privileges granted pursuant to this Agreement without prior City Council approval;

4.2.7 IRIS's failure to comply with any lawful City ordinance, resolution, rule, regulation or policy.

## **SECTION 5 CONSTRUCTION, MAINTENANCE, EXPANSION RECONSTRUCTION, USE AND EXCAVATION**

5.1 The construction, expansion, reconstruction, excavation, use, maintenance and operation of IRIS's network, facilities and property shall be subject to all lawful police regulations of the City and performed in accordance with the City's standards, policies and code requirements for utility location and coordination. In addition to any other City regulations or requirements, sixty (60) days prior to the commencement of construction of each of IRIS's network routes, IRIS shall provide the Director of Engineering and the Director of Information Systems with a copy of the construction work plans and drawings. Modification or expansion of IRIS's authorized routes must be approved by the Director of Engineering. IRIS shall be responsible for any additional

fees due to expanded authorized routes as required in Section 12, "Compensation". IRIS shall not proceed with construction until the plans and drawings have been approved in writing by the Director of Engineering.

5.2 Within thirty (30) days of completion of each of IRIS's network routes, IRIS shall supply the Director of Engineering and the Director of Information Systems with a complete set of "as built" drawings for approval. Further, after each replacement, relocation, reconstruction, expansion, or removal of its facilities, IRIS shall promptly notify the City of the exact changes made and shall provide a new set of "as built" drawings of each modification to the Director of Engineering and the Director of Information Systems. IRIS shall provide annually a complete set of "as built" drawings incorporating these changes.

5.3 Prior to the commencement of any work on its network, IRIS shall provide its fiber optics location data, which shall conform to the City's standards, to the Director of Information Systems. Such data shall adhere to the City's computer mapping system.

5.4 Upon request of the City, IRIS shall remove and abate any portion of the network or any facility that is dangerous to life or property, and if IRIS, after notice, fails or refuses to act, the City may remove or abate the same, at the sole cost and expense of IRIS, all without compensation or liability for damages to IRIS. IRIS shall promptly restore the rights-of-way to their condition prior to IRIS's construction, maintenance or excavation, to the satisfaction of the Director of Engineering. IRIS shall excavate only for the construction, installation, expansion, repair, removal, and maintenance of all or a portion of its network.

5.5 Each of IRIS's network routes shall be completed within twelve (12) months from the commencement of its construction, unless otherwise authorized by the Director of Engineering.

## **SECTION 6 TERM OF AGREEMENT**

The initial term of this Agreement is one (1) year beginning on the date of its execution by all of the appropriate officials shown on the signature page of this Agreement. The initial term may be renewed for two (2) consecutive renewal terms of one (1) year each upon the written consent of the parties, or converted into a long term franchise pursuant to the procedures for granting franchises under City law.

## **SECTION 7 CONSTRUCTION WORK REGULATION**

7.1 All work done in connection with the construction, expansion, reconstruction, maintenance or repair of IRIS's network shall be subject to and governed by all current and future laws, rules and lawful regulations of the City.

7.2 All excavations and other construction in the rights-of-way shall be carried on so as to interfere as little as practicable with the use of public and private property and in accordance with any direction given by the City under the police and regulatory powers of the City including, but not limited to, the following: Policy on Location of Utilities Within City of Knoxville Right-of-Way dated April 29, 1988; City of Knoxville Standard Detail for Pavement Cuts dated March 5, 1986; Policy on Work Zone Traffic Control, City of Knoxville, Tennessee, dated October 15, 1992; and Knoxville City Code regulations on rights-of-way excavation permits. Moreover, IRIS shall place certain facilities underground according to requirements that may be adopted from time to time by the City.

7.3 When any excavation or work crosses or is within a State or Federal highway or right-of-way, IRIS shall be required to obtain any necessary permits or permission from the Tennessee or federal departments of transportation or other responsible state or federal agencies before work is commenced.

7.4 Any facilities of other persons or entities that are attached to or within IRIS's network shall be placed, replaced, maintained and removed in a safe manner so that the attachment does not interfere unnecessarily with the erection, replacement, operation, repair or maintenance of the network or other persons or entities using the same network.

## **SECTION 8**

### **BONDS**

8.1 IRIS shall obtain and maintain, at its sole cost and expenses, for the benefit of and filed with the City Law Department, two (2) corporate surety bonds, each written with a surety company authorized to do business in the State of Tennessee and found acceptable by the Law Director, in an amount to be determined by the Department of Engineering depending upon the nature of the work to be performed and the permit fee. The first bond will guarantee the timely and safe construction of IRIS's network (the "Construction Bond"). The second bond will secure IRIS's performance of its obligations and faithful adherence to all requirements of this Agreement (the "License Agreement Bond"). The City reserves the right to reevaluate the bond amount after the first year of the initial term and to adjust the bond requirement or bond amount if deemed necessary or prudent by the Law Director, it being agreed and understood that the Construction Bond will remain in full force and effect until project completion and acceptance. Provided, however, the Construction Bond shall not exceed the amount of the contract for the construction of the network that is subject to this Agreement, and the Construction Bond shall terminate when the construction of IRIS's network is complete and such completion is certified in writing by IRIS and accepted in writing by the City. Provided further, the License Agreement Bond shall not exceed the amount of \$100,000 and shall be maintained throughout the term of this Agreement. The initial License Agreement Bond will be written for a term of one year to run concurrently with the License Agreement's initial term. Additional extensions to the term of the Agreement will be bonded with a continuation certificate to the original License Agreement Bond (or

on a subsequent original License Agreement Bond written by a different Surety Company, acceptable to the Law Director, if necessary), executed by the Surety Company and by IRIS, it being agreed and understood that the Surety's continuation certificate shall be limited to annual renewal extensions, and reissued annually. IRIS shall provide both of these corporate surety bonds at the time of execution of this Agreement.

8.1.1 The Construction Bond shall provide, but shall not be limited to, the following condition: there shall be recoverable by the City, jointly and severally, from the principal and surety, any and all damages, losses or costs, including attorneys' fees, suffered by the City resulting from IRIS's construction and installation of its network, and from the failure of IRIS to construct and install that network safely and satisfactorily, and to complete its network within 18 months after the commencement of this Agreement.

8.1.2 The License Agreement Bond shall provide, but shall not be limited to, the following conditions: there shall be recoverable by the City, jointly and severally, from the principal and surety, any and all damages, losses or costs, including attorneys' fees, suffered by the City resulting from IRIS's installation, operation or maintenance of its network.

8.2 Any extension to the prescribed time limit in subsection 8.1.1 for completion of the network within 18 months shall be authorized by the Director of Law. Such extension may be authorized only when the Director of Law determines that such extension is necessary and appropriate due to causes beyond the control of IRIS.

8.3 The rights reserved to the City with respect to the bond are in addition to all other rights and remedies of the City, whether reserved by this Agreement or authorized by law or equity; and no action, proceeding or exercise of a right or remedy with respect to such bond shall affect any other rights or remedies the City may have.

8.4 The bond shall contain the following endorsement: "It is hereby understood and agreed that this bond will not be cancelled or non-renewed by the surety until sixty (60) days after receipt by the Law Director, by registered mail, of written notice of intent to cancel or not to renew the bond."

## **SECTION 9 INSURANCE**

9.1 IRIS shall obtain, and shall maintain, in full force and effect throughout the term of this Agreement, and any extension or renewal thereof, insurance in the amounts and coverages set forth in this Section 9, with an insurance company licensed to do business in the State of Tennessee, approved by the State of Tennessee and acceptable to the City. All insurance companies shall be required to have A.M. Best Company ratings of no less than A. The insurance shall be issued in the standard form approved by the State Board of Insurance. IRIS shall provide the City with proof of such insurance so required at the time of execution of this Agreement. The City reserves the right to review

these insurance requirements during the effective period of this Agreement, and any extension or renewal thereof, and to adjust requirements for insurance coverage and their limits when deemed necessary or prudent by the Law Department, based upon changes in statutory law, court decisions, or the claims history of the industry or of IRIS.

9.2 IRIS shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension or renewal thereof, the respective policies which shall cover all risks associated with the use and occupancy of the public rights-of-way and all other risks associated with this Agreement. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects this Agreement; or IRIS shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### Description of Insurance Coverage and Limits:

9.2.1 Commercial General Liability Insurance--\$1,000,000 each occurrence. Coverage shall include but not be limited to the following: premises operations, independent contractors, products/completed operations, bodily injury, personal injury, contractual liability, explosion/collapse/underground property damage. Insurance shall be provided on an occurrence basis, shall be as comprehensive as the current Insurance Services Office commercial general liability policy, and shall have no exclusion by endorsement. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two times the occurrence limit.

9.2.2 Automobile Liability Insurance--\$1,000,000 each accident. Coverage shall be on "any auto", including leased, hired, owned, non-owned and borrowed vehicles.

9.2.3 Environmental Impairment Liability including Pollution Liability Insurance--\$1,000,000.00 each occurrence. This coverage is to be provided on an occurrence basis and shall include claims arising from gradual emissions and sudden accidents. Clean-up and defense costs shall be covered. If coverage is only available only on a claims made basis, additional language protecting the City's interests will be needed.

9.2.4 Workers' Compensation Insurance with statutory limits as required by the State of Tennessee or other laws as required by labor union Agreements – Employer's liability –minimum \$500,000 each accident/disease – each employee/disease – policy limit.

9.2.5 Umbrella Coverage--\$10,000,000 each occurrence. This coverage shall be on a follow form basis.

9.3 The respective policies shall cover all risks related to the use and occupancy of the public rights-of-way and all other risks associated with this Agreement.

9.4 IRIS shall require all subcontractors to maintain Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by IRIS's insurance) in the same manner as specified for IRIS. IRIS shall furnish subcontractors' certificates of insurance to the City immediately upon request.

9.5 The City shall be entitled, upon request and without expense to the City, to review copies of the policies and all endorsements thereto. The City may make any reasonable requests for deletion, revision or modification of particular policy terms, conditions, limitations or exclusions, except where policy provisions are established by law or regulation binding upon either the City or IRIS. Upon request for deletion, revision or modification by the City, IRIS shall exercise reasonable efforts to accomplish the changes in policy coverage, and shall pay the cost thereof.

9.6 IRIS agrees that with respect to the above required insurance, all insurance contracts will contain the following required provisions:

9.6.1 The City of Knoxville and its officials, officers, employees, agents, volunteers, and elected representatives shall be named as additional insureds (as the interests of each may appear) as to all applicable coverage except workers' compensation insurance (the coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds);

9.6.2 Sixty (60) days' prior notice to the Law Director by certified mail for cancellation, non-renewal, or material change shall be required; and

9.6.3 All provisions of this Agreement, including as it may be amended from time to time, concerning liability, duty, and standard of care, including Section 14, Indemnity, of this Agreement, shall be underwritten by contractual coverage sufficient to include such obligations within applicable policies.

9.7 The insurance policies, including certified copies of all endorsements, obtained by IRIS in compliance with this Section shall be subject to approval by the City, and such proof of insurance, along with written evidence or payment of required premiums, shall be filed and maintained with the Law Department during the term of this Agreement, and any extension or renewal thereof, and may be changed from time to time to reflect changing liability limits, as required by the City. IRIS shall advise the Law Director immediately of any actual or potential litigation that may develop that would affect this insurance.

9.8 Insurers shall have no right of recovery against the City, it being the intention that the insurance policies shall protect IRIS and the City and shall be primary coverage for all losses covered by the policies.



9.9 The policy clause "Other Insurance" shall not apply to the City of Knoxville where the City is an insured on the policy.

9.10 Companies issuing the insurance policies shall have no recourse against the City of Knoxville for payment of any premiums or assessments which all are set at the sole risk of IRIS.

**SECTION 10**  
**WORK BY OTHERS, CONSTRUCTION BY ABUTTING OWNERS**  
**ALTERATION TO CONFORM WITH PUBLIC IMPROVEMENT**

10.1 The City reserves the right to lay, and to permit to be laid, sewer, gas, water, and other pipelines, and electric, telecommunications or other communications cables, wires, and conduits, and to do, and to permit to be done, any underground and overhead work that may be deemed necessary or proper by the City in, across, along, over or under any rights-of-way occupied by IRIS, and to change any curb or sidewalk or the grade of any rights-of-way. In permitting such work to be done, the City shall not be liable to IRIS for any damages not willfully and directly caused by the sole negligence of the City; provided, however, nothing herein shall relieve any other person or entity other than the City from liability for damage to IRIS's network. All work performed will be in accordance with the City's standard drawings and specifications and related requirements located in the Department of Engineering.

10.2 In the event that the City authorizes abutting landowners to occupy space under the surface of any right-of-way, such grant to an abutting landowner shall be subject to the rights herein granted to IRIS.

10.3 Removal of obsolete facilities:

10.3.1 When IRIS opens a trench, accesses a conduit or boring, or is working on aerial locations, it shall remove all obsolete network facilities it owns from such locations.

10.3.2 When IRIS opens a trench, accesses a conduit or boring, or is working on aerial locations, it shall notify all franchisees, licensees and utilities of such work, so that they may remove their obsolete facilities from such locations. IRIS shall cooperate with all other franchisees, licensees and utilities located in the right-of-way in their removal activities.

10.3.3 When IRIS receives notification from any franchisee, licensee or utility that it is opening a trench or access to borings, IRIS shall remove all of its obsolete facilities from such locations while they are open.

10.3.4 In the event this Agreement is terminated or expires without being renewed, IRIS shall remove its facilities from the rights-of-way within one hundred eighty (180) days of such termination or expiration unless the parties

agree that all or a portion of the facilities remain in place. If, upon termination or expiration of this Agreement without being renewed, IRIS fails to remove its facilities from the rights-of way within one hundred eighty (180) days of the City's written request to remove such facilities, all facilities shall become the property of the City without any compensation due to IRIS.

10.3.5 Whenever IRIS intends to discontinue using any network facility within the City's rights-of-way, IRIS shall submit to the Director of Engineering for the Director's approval a completed application describing the facility and the date on which IRIS intends to discontinue using the facility. IRIS may remove the facility or request that the City permit it to remain in place. Notwithstanding IRIS's request that any such facility remain in place, the City may require IRIS, at IRIS's sole cost, to remove the facility from the right-of-way area or to modify the facility in order to protect the public health and safety or otherwise serve the public interest.

10.3.6 In order to protect the public health or safety, or to alter, widen, reconstruct, abandon, repair, upgrade or otherwise modify any street or right-of-way, the City may require that IRIS perform a combination of modification and removal of the facility. IRIS shall complete such removal and/or modification in accordance with a schedule set out by the City. Until such time as IRIS removes or modifies the affected facility as directed by the City, or until the rights to and responsibility for the affected facility are accepted by another person or entity having authority to construct and maintain such facilities, IRIS shall be responsible for all necessary repairs, relocations of the facility, and maintenance of the right-of-way area in the same manner and degree as if the facility were in active use, and IRIS shall retain all liability.

10.4 Whenever by reason of the changes in the grade of any street or in the location or the manner of constructing any sewer, gas, water or other pipeline, or any electric, telecommunications or other communications cables, wires, conduits or any other underground or overhead structure for any purpose whatsoever, it shall be deemed necessary by the City to alter, change, adapt or conform the underground or overhead portion of IRIS's network thereto, such alterations or changes shall be promptly made by IRIS when ordered in writing by the City, without claim for reimbursement or damages against the City. If such requirements imposes a financial hardship on IRIS, IRIS may present alternative proposals to the City, and the City shall give due consideration to such alternative proposals. If the City requires IRIS to adapt or conform its network, or in any way or manner to alter, relocate or change its network to enable any other entity or person, except the City, to use, or to use with greater convenience, any rights-of-way, IRIS shall not be required to make such changes until such other entity or person shall have undertaken to reimburse IRIS for any loss or expense which will be caused by, or arise out of such change, alteration or relocation of IRIS's network; provided, however, that the City shall in no event be liable for such reimbursement, and provided further that IRIS shall not be entitled to defer such adaptation or relocation of its facilities where such other entity or person cannot be required to reimburse IRIS under applicable law.

10.5 In the event that IRIS has not relocated those of its affected facilities which are located in a right-of-way, within a reasonable length of time (as determined by the City's Director of Engineering) prior to the City's commencement date for rights-of-way construction, the City shall have the right to relocate or cause to be relocated the affected portion of IRIS's network, and IRIS shall reimburse the City for all costs of relocation.

10.6 During the term of this Agreement, and any extension or renewal thereof, IRIS shall be liable for the acts or omissions of any person or entity used by IRIS (including, without limitation, any affiliate, contractor or subcontractor of IRIS) when such person or entity is involved directly or indirectly in the construction, installation, maintenance or operations of IRIS's network as if the acts or omissions of such person or entity were the acts or omissions of IRIS.

## **SECTION 11 COMPLIANCE WITH CITY CHARTER AND CODE**

11.1 IRIS recognizes, accepts and agrees that the terms, conditions and provisions of this Agreement are subject to the current and future applicable provisions of the Knoxville City Charter, the Knoxville City Code, and other City ordinances, resolutions, rules, regulations and policies. Notwithstanding the foregoing, IRIS does not hereby waive any objection it may have to any such future applicable provisions on the ground that such future provisions may impair any contractual rights of IRIS hereunder.

11.2 Any request by IRIS for a modification to this Agreement shall be subject to review by the Law Director for compliance with the applicable provisions of the City Charter and City Code.

## **SECTION 12 COMPENSATION**

12.1 In consideration for the rights and privileges herein granted, IRIS, its successors and assigns, agrees to pay five percent (5%) of the gross revenues received by IRIS from operation of IRIS's network in the City.

12.2 Upon execution of this Agreement, payment of the annual license fee set forth in subsection 12.1 shall be remitted to the City in the following manner:

12.2.1 On or before the thirtieth day (30th) day of January, April, July and October of each year for the preceding calendar quarter during the term of Agreement, and any extension or renewal thereof. If the first payment becomes due before an entire quarter of a calendar year has passed, the first payment shall be for that portion of that quarter during which this Agreement was in effect.

12.2.2 Except as otherwise provided by law or by this Agreement, the annual license fee shall constitute full payment for IRIS's privilege of using and

occupying the rights-of-way and City property within the City, excluding other fees connected with that use, such as permit, supervision and inspection charges and fees. Notwithstanding the foregoing, the annual license fee shall be in addition to and not in lieu of any general or special ad valorem taxes which the City is authorized to levy and impose upon real or personal property or persons conducting business in the City, or taxes on IRIS's services or imposed on IRIS's customers and collected by IRIS, and permit fees connected with excavation and construction in the rights-of-way.

12.3 In the event that any payment is made after the due date, IRIS shall pay a late payment penalty of the greater of \$100.00 or simple interest at ten percent (10%) per annum of the total amount past due.

12.4 In order to determine the gross revenues received by IRIS for the operation of its network within the City, IRIS agrees that on the same date that payments are made, as provided herein, it will file with the City Finance Director a sworn report showing all revenue, detailed by category, received by IRIS from the operations of its network in the City for the calendar quarter preceding the date of payment. The City may, if it sees fit, have the books and records of IRIS audited by a representative of the City to ascertain the correctness of the sworn reports agreed to be filed herein. If the audit determines that there was an error in the City's payment greater than five percent (5%) of the payment received by the City, IRIS shall reimburse the City for all audit costs.

### **SECTION 13 CITY USE OF FACILITIES**

13.1 The City may install or affix and maintain wires and equipment for municipal purposes upon any and all of IRIS's ducts, conduits or poles, without charge to the City, and provided such installation or affixment shall not interfere with IRIS's provision of service. For the purposes of this section, the term "municipal purposes" includes but is not limited to the use of the structures and installations for City fire, police, traffic, recreation facilities, telephone, and/or signal systems. The value of such use of IRIS's facilities may not be deducted from IRIS's license fee or any other fees or taxes payable by IRIS to the City. The City shall be responsible for any damage resulting to the wires or property of IRIS occurring as a result of the City's use of IRIS's ducts, conduits and poles.

13.2 IRIS, at its sole cost and expense, shall grant to the City, during the term of this Agreement, the right to use for municipal purposes two (2) pairs of dark fiber per the City's specifications throughout IRIS's network in the city limits of Knoxville as required by the Director of Information Systems. Ownership of the fibers to be used by the City shall remain vested in IRIS during the term of this Agreement, provided, however, that should the City subsequently grant IRIS a franchise, it is the parties' intent that ownership or indefeasible rights of use of the fibers will be granted to the City upon the City's grant of a franchise to IRIS.

13.3 IRIS shall provide coordination and engineering assistance to the City for providing such fiber optic accesses as the City may require.

## **SECTION 14 INDEMNITY**

IRIS shall indemnify, save and hold harmless, the City and all of its officials, officers, agencies, employees, agents, and volunteers against and from any and all claims, suits, judgments, actions, losses, costs and expenses, including attorneys' fees, incurred by the City and costs or expenses incidental to the investigation and defense of claims and lawsuits brought for, on behalf of, or on account of, any injuries or damages received or sustained by any person, firm or corporation or to any property, which may be occasioned by, arising out of or from, the conduct of IRIS in connection with this Agreement, the construction, reconstruction, expansion, removal, maintenance, operation, or repair of IRIS's network, the conduct of IRIS's business in the City, any occurrence in connection with this Agreement, any and all claims and lawsuits arising from any breach or default on the part of IRIS in the performance of any term, condition, provision, covenant or Agreement to be performed by IRIS pursuant to this Agreement, any act or omission of IRIS, or any of its agents, contractors, subcontractors, servants, employees, or licensees, or any relationship between IRIS and its customers and retailers, whether caused by or attributable solely to IRIS and others, or the City. IRIS shall pay all judgments, with costs, attorneys' fees and expenses, which may be obtained against the City related to any such claim and the City agrees to give IRIS prompt and reasonable notice of any claims or lawsuits; IRIS shall have the right to investigate, compromise and defend same to the extent of its own interests. The above indemnification shall not apply to any judgment of liability resulting from the gross negligence or willful misconduct of the City. The terms and provisions contained in this Section are intended to be for the benefit of the City and IRIS and are not intended to be for the benefit of any third party.

## **SECTION 15 RECORDS INSPECTION**

IRIS shall keep and maintain, and make available to the City for inspection and copying at the City's offices upon ten (10) working days notice, all books, records, contracts, accounts, documents and papers of IRIS relating to IRIS's operation and construction in the rights-of-way, and IRIS's compliance with this Agreement or applicable City ordinances, resolutions, rules, regulations or policies. All maps, plats, records, inventories and books of IRIS, insofar as they show values and location of existing property, shall be preserved for use, if necessary, in connection with any future valuation of the property of IRIS.

## **SECTION 16 NOTICES**

Unless otherwise specifically designated in other sections of this ordinance, all notices pursuant to this Agreement shall be in writing and shall be effective when

personally delivered to, or when mailed with postage prepaid and properly addressed, as the case may be to:

If to IRIS:

IRIS Networks  
211 Commerce Street, Suite 610  
Nashville, TN 37201  
Attn: Ellen Bryson, Chief Manager

If to the City:

City Law Director  
City of Knoxville Law Department  
Post Office Box 1631  
Knoxville, TN 37901-1631

with copies to the City at:

Director of Finance  
City of Knoxville Finance Department  
Post Office Box 1631  
Knoxville, TN 37901-1631

Director of Information Systems  
City of Knoxville Information Systems Department  
Post Office Box 1631  
Knoxville, TN 37901-1631

Any change in address or telephone number shall be furnished to the City ten (10) days prior to the change.

## **SECTION 17 POLICE POWERS**

In accepting this Agreement, IRIS acknowledges that its rights hereunder are subject to the police power of the City of Knoxville to adopt and enforce general ordinances, resolutions, rules, regulations and policies necessary to the safety and welfare of the public; and IRIS shall comply with all current and future applicable general laws, ordinances, resolutions, rules, regulations and policies enacted by the City pursuant to such powers. Any conflict between the provisions of this Agreement and any other lawful exercise of the City's police powers shall be resolved in favor of the latter.

## SECTION 18 FORCE MAJEURE

The time within which IRIS shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days due to a force majeure. The term "force majeure" shall mean delays due to acts of God, war, civil disturbances, fire, unavoidable casualties, construction delays due to weather, or other similar causes beyond the control of IRIS. Notwithstanding anything contained anywhere else in this Agreement, IRIS shall not be excused from performance of any of its obligations under this Agreement by misfeasance or malfeasance of its directors, officers, employees, agents, contractors or subcontractors, or by mere economic hardship.

## SECTION 19 MISCELLANEOUS PROVISIONS

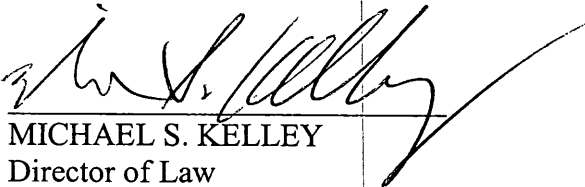
- 19.1 ASSIGNMENT. IRIS will not assign or transfer, directly or indirectly, whether by transfer or assignment of assets or equity interest, any interest in this Agreement or in IRIS's facilities in City rights-of-way without obtaining the prior written approval of the City. Such consent shall not be unreasonably withheld.
- 19.2 WRITTEN AMENDMENTS. This Agreement may be modified only by a written amendment or addendum which has been executed and approved by the appropriate officials shown on the signature page of this Agreement.
- 19.3 REQUIRED APPROVALS. Neither IRIS nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.
- 19.4 ARTICLE CAPTIONS. The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.
- 19.5 SEVERABILITY. If any provision of this Agreement is determined to be unenforceable or invalid, such determination will not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.
- 19.6 FEDERAL, STATE AND LOCAL REQUIREMENTS. IRIS is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.
- 19.7 GOVERNING LAW AND FORUM SELECTION. This Agreement will be governed and construed in accordance with the Constitution and laws of the State of Tennessee and the Charter and ordinances of the City of Knoxville. By virtue

of entering into this Agreement, IRIS submits itself to a court of competent jurisdiction in the City of Knoxville, Tennessee.

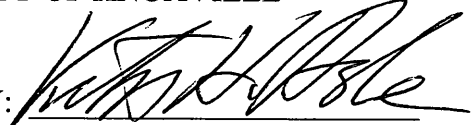
- 19.8 ENTIRE AGREEMENT. This Agreement forms the entire Agreement between the City and IRIS. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, will be of no force or effect.

IN WITNESS WHEREOF, the City of Knoxville and Tennessee Independent Telecommunications Group, L.L.C., d/b/a IRIS Networks, have executed this Agreement in two (2) copies as of the below-written date.

APPROVED AS TO FORM:

  
MICHAEL S. KELLEY  
Director of Law

CITY OF KNOXVILLE

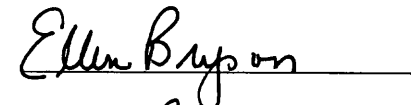
BY:   
VICTOR H. ASHE  
Mayor

DATE 9/16/02

FUNDS CERTIFIED:

  
RANDOLPH B. VINEYARD  
Finance Director

Tennessee Independent Telecommunications  
Group, L.L.C., d/b/a IRIS Networks

BY: 

PRINTED NAME: Ellen Bryson

PRINTED TITLE: Chief Manager

**Required Documents:**

Certificate of Insurance  
Construction Bond  
License Agreement Bond

XDP  
XDP  
XDP



TRTO

TENNIND-01

**ACORD CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YY)

9/3/02

<b>PRODUCER</b> (800) 222-4664 <b>Telcum Insurance Services Corp.</b> 6301 Ivy Lane Suite 506 Greenbelt MD 20770		<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>
<b>INSURED</b> Tennessee Independent Telecommunication Group, Inc. dba IRIS Networks 211 Commerce Street Suite 610 Nashville TN 37201		<b>INSURERS AFFORDING COVERAGE</b> INSURER A: Liberty Mutual Fire Insurance Company INSURER B: Liberty Mutual Insurance Company INSURER C: XL Environmental, Inc. INSURER D: INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>GENERAL LIABILITY</b>	TB2-645-004917-012	4/15/02	4/15/03	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMPI/OP AGG	\$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	<b>AUTOMOBILE LIABILITY</b>	AS2-645-004917-022	4/15/02	4/15/03	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS					
<input checked="" type="checkbox"/> NON-OWNED AUTOS						
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY EA ACC	\$
					AGG	\$
B	<b>EXCESS LIABILITY</b>	TH1-641-004917-052	4/15/02	4/15/03	EACH OCCURRENCE	\$ 10,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 10,000,000
						\$
						\$
						\$
	DEDUCTIBLE					
	<input checked="" type="checkbox"/> RETENTION \$10,000					
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	WC2-645-004917-032	4/15/02	4/15/03	WC STATUTORY LIMITS	TOT-ER
	E.L. EACH ACCIDENT				\$ 500,000	
	E.L. DISEASE - EA EMPLOYEE				\$ 500,000	
	E.L. DISEASE - POLICY LIMIT				\$ 500,000	
C	<b>OTHER</b>	PEC0012371	8/2/02	8/2/03	Retention \$10,000	\$1,000,000
	<b>Pollution Liability</b>					

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

The City of Knoxville and its officials, officers, employees, agents, volunteers, and elected representatives are named as additional insureds (as the interests of each may appear) as to all applicable coverage except workers' compensation insurance (the coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds).

<b>CERTIFICATE HOLDER</b> <input checked="" type="checkbox"/> <b>ADDITIONAL INSURED: INSURER LETTER:</b>	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 60 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
Ms. Debra C. Poplin Deputy Law Director City of Knoxville, City County Building 400 Main Street Knoxville TN 37901-	<i>Susan J. Flanders</i> © ACORD CORPORATION 1988

ACORD 25-S (7/97)

**LICENSE AGREEMENT BOND**

**Bond No. 3SE019760**

KNOW ALL MEN BY THESE PRESENTS, That we, **TENNESSEE INDEPENDENT TELECOMMUNICATIONS GROUP, LLC d/b/a IRIS NETWORKS**, as Principal, and **AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**, a corporation organized under the laws of the State of **ILLINOIS**, as Surety, are held and firmly bound unto **CITY OF KNOXVILLE, 400 MAIN STREET, P.O. BOX 1631, KNOXVILLE, TN 37901**, as Obligee, in the penal sum of **ONE HUNDRED THOUSAND AND 00/100 (\$100,000.00) DOLLARS**, for the payment of which sum well and truly to be made, we, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has entered into an agreement, **NO. C-03-0024**, with the Obligee dated **SEPTEMBER 16, 2002** for construction, maintenance, operation, and use of a fiber optic telecommunications network within the City's rights-of-way for exclusively "long-haul" transport, in accordance with the terms and conditions of said contract, which is hereby referred to and made a part thereof as if fully set forth herein.

NOW, THEREFORE, the condition of this obligation is such, that if the above bounden Principal, shall well and truly keep, do and perform each and every, all and singular, the matters and things in said contract set forth and specified to be by said Principal kept, done and performed at the times and in the manner in said contract specified, or shall pay over, make good and reimburse to the above named Obligee, all costs and damages which said Obligee may sustain by reason of failure or default on the part of said Principal so to do, then this obligation shall be null and void; otherwise to remain in full force and effect.

This bond shall be effective for a term of one (1) year beginning on **SEPTEMBER 16, 2002** and ending on **SEPTEMBER 16, 2003**, and, upon expiration, may be continued for additional term(s) by certificate executed by the Principal and the Surety. It is hereby understood and agreed that this bond will not be cancelled or non-renewed by the Surety until sixty (60) days after receipt by the Law Director of written notice, by registered mail, of its intent to cancel or not to renew the bond.

Provided, however, that Principal's failure to provide replacement bond, if one is needed, shall not be cause for claim under this bond.

Signed and sealed this 16<sup>th</sup> day of September, 2002.

**Tennessee Independent Telecommunications Group, LLC**  
**d/b/a Iris Networks**

*Principal*

By: Ellen Bryson, Chief Manager  
Ellen Bryson, Chief Manager

**American Manufacturers Mutual Insurance Company**

*Surety*

By: Anne Porter  
Anne Porter, Attorney In Fact

## POWER OF ATTORNEY

Know All Men By These Presents:

That the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, corporations organized and existing under the laws of the State of Illinois, having their principal office in Long Grove, Illinois (hereinafter collectively referred to as the "Company") do hereby appoint

Anne Porter , John C. Hamilton , Alex D. Haas and Patricia Adamson of ATLANTA , GA (EACH)

\*\*\*\*\*

their true and lawful agent(s) and Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as their act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal office in Long Grove, Illinois.

This Power of Attorney is executed by authority of resolutions adopted by the Executive Committees of the Boards of Directors of the Company on February 23, 1988 at Chicago, Illinois, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Executive Committee of the Boards of Directors of the Company at a meeting duly called and held on the 23rd day of February, 1988:

"VOTED, That the signature of the Chairman of the Board, the President, any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to resolution adopted by the Executive Committee of the Board of Directors on February 23, 1988 and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

City of Knoxville, Tennessee  
400 Main Street, P.O. Box 1631  
Knoxville, TN 37901

CONSTRUCTION BOND No. 3SE019759

**KNOW ALL MEN BY THESE PRESENTS**, that we,  
**Tennessee Independent Telecommunications Group, LLC d/b/a IRIS Networks** (hereinafter referred to as "Principal"), as Principal, and **American Manufacturers Mutual Insurance Company**, (hereinafter referred to as "Surety"), with its main office at 1 Kemper Drive, Long Grove, IL 60049-0001, a corporation existing under the laws of the State of **Illinois** and authorized to do business in the State of Tennessee, as Surety, are held and firmly bound unto the **City of Knoxville** (hereinafter referred to as "Obligee"), as Obligee, a municipal corporation, in the penal sum of **Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars**, to the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their respective heirs, administrators, executors, successors and assigns, jointly and severally by these presents.

**WHEREAS**, the Principal and Obligee have entered into **Agreement C-03-0024** (hereinafter referred to as "Agreement" and incorporated herein by reference) dated the **16<sup>th</sup>** day of **September, 2002**, and under the terms of said Agreement Principal shall construct and install its network safely and in a satisfactory manner within eighteen (18) months after the commencement of the Agreement.

**NOW, THEREFORE**, the condition of this obligation is such that, if the Principal shall faithfully perform the Agreement and obligations under the Agreement on its part and shall fully indemnify and save harmless the Obligee from all costs and damage which the Obligee may suffer by reason of failure on Principal's part to complete the construction provisions of the Agreement, not to exceed the penal sum of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

**PROVIDED**, however, it shall be a condition precedent to any right of recovery hereunder that, in the

**HILLARY B. JONES**  
Assistant City Attorney  
City of Knoxville

Document No. C-03-0024

**AMENDMENT**

**THIS AMENDMENT** to Document No. C-03-0024 is made by and between the **CITY OF KNOXVILLE**, a municipal corporation organized and existing under the laws of the State of Tennessee, ("**CITY**"), and **TENNESSEE INDEPENDENT TELECOMMUNICATIONS GROUP, L.L.C.**, d/b/a **IRIS NETWORKS**, a limited liability company organized and existing under the laws of the State of Tennessee, with its principal offices at 211 Commerce Street, Suite 610, Nashville, Tennessee 37201 (hereinafter referred to as "**IRIS**").

**WHEREAS**, the parties listed above previously entered into a License Agreement for the construction, maintenance, operation and use of a fiber optic telecommunications network within City's rights-of-way for exclusively "long-haul" transport; and

**WHEREAS**, the parties now desire to exercise the option to renew the initial term of this License Agreement for a second one-year term; and

**NOW, THEREFORE**, the City and the Contractor, for the mutual considerations stated herein, agree to amend Document No. C-03-0024 as follows:

By deleting SECTION 6, TERM OF AGREEMENT, and substituting in lieu thereof the following:

**SECTION 6  
TERM OF AGREEMENT**

The term of this Agreement is one (1) year beginning on September 17, 2003 and ending on September 16, 2004. This term may be renewed for one (1) consecutive renewal term of one (1) year upon the written consent of the parties, or converted into a long-term franchise pursuant to the procedures for granting franchises under City law.

**LICENSE AGREEMENT BOND**

**Bond No. ATIFSU348432**

KNOW ALL MEN BY THESE PRESENTS, That we, **TENNESSEE INDEPENDENT TELECOMMUNICATIONS GROUP, LLC d/b/a IRIS NETWORKS**, as Principal, and **AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY**, a corporation organized under the laws of the State of **ILLINOIS**, as Surety, are held and firmly bound unto **CITY OF KNOXVILLE, 400 MAIN STREET, P.O. BOX 1631, KNOXVILLE, TN 37901**, as Obligee, in the full and just sum of **ONE HUNDRED THOUSAND AND 00/100 (\$100,000.00) DOLLARS**, for the payment of which sum well and truly to be made, we, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has entered into an Agreement, **NO. C-03-0024**, with the Obligee dated **SEPTEMBER 16, 2002** for construction, maintenance, operation, and use of a fiber optic telecommunications network within the City's rights-of-way for exclusively "long-haul" transport, in accordance with the terms and conditions of said Agreement, which is hereby referred to and made a part thereof as if fully set forth herein.

NOW, THEREFORE, the condition of this obligation is such, that if the above bounden Principal, shall well and truly keep, do and perform each and every, all and singular, the matters and things in said Agreement set forth and specified to be by said Principal kept, done and performed at the times and in the manner in said Agreement specified, or shall pay over, make good and reimburse to the above named Obligee, all loss and damage which said Obligee may sustain by reason of failure or default on the part of said Principal so to do, then this obligation shall be null and void; otherwise to remain in full force and effect.

This bond shall be effective for a term of one (1) year beginning on **SEPTEMBER 16, 2003** and ending on **SEPTEMBER 16, 2004**, and, upon expiration, may be continued for additional term(s) by certificate executed by the Principal and the Surety. It is hereby understood and agreed that this bond will not be cancelled or non-renewed by the Surety until sixty (60) days after receipt by the Law Director of written notice, by registered mail, of its intent to cancel or not to renew the bond.

Provided, however, that Principal's failure to provide replacement bond, if one is needed, shall not be cause for claim under this bond.

Signed and sealed this 10<sup>th</sup> day of September, 2003.

**Tennessee Independent Telecommunications Group, LLC**  
**d/b/a Iris Networks**

*Principal*

By:

*Ellen Bryson, Chief Manager*  
Ellen Bryson, Chief Manager

**International Fidelity Insurance Company**

*Surety*

By:

*Anne Porter*  
Anne Porter, Attorney In Fact

# POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR  
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

**ANNE PORTER, ALEX D. HAAS, JOSEPH W. HAMILTON III, JOHN C. HAMILTON**

**Atlanta, GA**

its true and lawful attorney(s) in fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3, Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

(1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and

(2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



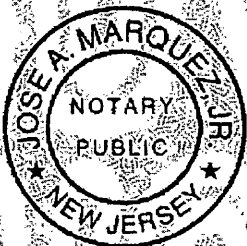
IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 31st day of August, A.D. 1998.

STATE OF NEW JERSEY  
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

*[Signature]*  
Vice-President

On this 31st day of August, 1998, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

*[Signature]*

A NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Nov-21, 2005

## CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this

10th day of September, 2003

*[Signature]*  
Assistant Secretary

Client#: 12735

TENNIND

**ACORD<sup>TM</sup> CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
09/02/03

<b>PRODUCER</b> Wachovia Insurance Services 4401 Northside Pkwy Suite 400 Atlanta, GA 30327-3078 770 850-0050	<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>	
<b>INSURED</b> The TN Independent Telecommunications Group, Inc. dba iRis Networks 211 Commerce St., Suite 610 Nashville, TN 37201	<b>INSURERS AFFORDING COVERAGE</b> INSURER A. <b>Atlantic Mutual</b> INSURER B. INSURER C. INSURER D. INSURER E	<b>NAIC #</b>

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	761007168-0000	04/15/03	04/15/04	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	<b>\$1,000,000</b> <b>\$1,000,000</b> <b>\$10,000</b> <b>\$1,000,000</b> <b>\$2,000,000</b> <b>\$2,000,000</b>
A		<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> <b>Hired Car PD</b> Deductibles:	761007168-0000     \$500 Comp. \$500 Collision	04/15/03	04/15/04	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	<b>\$1,000,000</b> \$ \$ \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN EA ACC AUTO ONLY AGG	\$ \$ \$
A		<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0	761007168-0000	04/15/03	04/15/04	EACH OCCURRENCE AGGREGATE	<b>\$10,000,000</b> <b>\$10,000,000</b> \$ \$ \$
A		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	400531594	04/15/03	04/15/04	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E L EACH ACCIDENT E L DISEASE - EA EMPLOYEE E L DISEASE - POLICY LIMIT	\$500,000 \$500,000 \$500,000
A		<b>OTHER BPP</b>	761007168-0000	04/15/03	04/15/04	<b>\$7,598,853 Blanket</b> <b>\$2500 Deductible</b>	

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**

The City of Knoxville, it's officials, officers, employees and volunteers are included as Additional Insureds as respects general liability coverage, A.T.I.M.A., but only as required by written contract with the above Named Insured.

**CERTIFICATE HOLDER**

The City of Knoxville  
City County Building  
P.O. Box 1631  
Knoxville, TN 37901

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

*Terre Stephens*



**IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.